Effect of appreciation of rupee on exports

1061. SHRI VIJAY J. DARDA:

SHRIMATI MOHSINA KIDWAI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that appreciation of rupee in comparison to dollar is going to affect our export target which is going to come down as per the survey conducted by the ASSOCHAM;

(b) whether it is also a fact that appreciation of rupee in comparison to dollar during the period between January to June, 2007 have been 8.35 per cent whereas the appreciation in currency of China, Russia and Brazil have been 1.82 per cent, 2.08, per cent and 9.8 per cent respectively; and

(c) if so how the country is going to achieve the target of export and face the challenge from countries like China, Russia and Brazil?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) According to the ASSOCHAM Eco Pulse (AEP) study, the appreciation of the Indian Rupee, *vis-a-vis,* the US dollar is expected to slow down export growth thereby adversely affecting production and capacity utilization of Indian industry. Latest available provisional data corroborates a deceleration in export growth from 23.4 per cent during the first quarter (April-June) of last year to 18.1 per cent during the same period of the current year. In Rupee terms the deceleration is much sharper from 28.7 per cent during April-June, 2006-07 to 6.9 per cent during April-June, 2007-08.

(b) Data of the Reserve Bank of India (RBI) shows that between January-June, 2007, the Indian Rupee appreciated against the US $ by 8.04% whereas the appreciation against the currency of China, Russia and Brazil was 2.46%, 2.21 % and 9.67% respectively during the same period.

(c) In order to lessen the adverse impact of Rupee appreciation, the Government has announced a relief package to exporters comprising enhanced Duty Entitlement Passbook (DEPB) rates, reduction in Export Credit Guarantee Corporation (ECGC) premium, release of Rs. 600 crore for clearing" all arrears of terminal excise duty and Central Sales-tax reimbursement, enhancement of duty drawback rates and reduction in interest rates on pre and post shipment credit.

Take over of closed tea gardens in West Bengal

1062. SHRJ PRASANTA CHATTERJEE:
SHRI TAPAN KUMAR SEN:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether is a fact that Government has decided to take over some closed tea gardens in West Bengal; and

(b) if so, the details thereof?